

Supply

key player in the discussions and negotiations that are now taking place.

Mr. Fulton: Mr. Speaker, I am sure the Hon. Minister would not want to leave the record with any bruises on it, so I will take this opportunity to seek some clarification from him. I think he would agree that in the Estimates of his Department under agriculture for 1986-87, some \$500,000 is to be used to deal with the issue of softwood trade and difficulties related to the issue we are discussing today. An additional half a person-year or so has been added on.

Mr. Merrithew: Fourteen person-years.

Mr. Fulton: Fourteen new person-years have been added? We will deal with that next time the Minister is before the committee.

I would like to hear from the Minister his understanding of the issue of the countervail suit. It is my understanding that if there is not satisfaction with the envoy proposal on the U.S. side between now and next Monday, the countervail will be technically filed on Monday but the Secretary of Commerce will not take the full 20 days required to make a ruling. In fact, he will accelerate that by one week, meaning that the ruling on whether or not to proceed with the countervail would come only 13 days after next Monday. In terms of timing, the actual free trade negotiations are scheduled to begin in the middle of next week. Because of that timing, it would be very much in the interests of certain U.S. lumber interests that the countervailing petition be filed next Monday rather than this Monday so that it would roll over into the free trade negotiations which are supposed to begin in the middle of next week. I would like the Hon. Minister to clarify that for me.

My second point deals with the Gibbons Bill, the resource-pricing provisions on which the Minister touched, and the new removal rights clause. As the Minister knows, that was voted through last October by the subcommittee so it can, in fact, on very short notice, go to the floor of the Congress.

Does the Minister think it is more likely that the very powerful U.S. forestry industry lobbyists who are loose on Capitol Hill are likely to accept the envoy proposal if there are no volume pricing provisions provided as a possible concession from Canada? Second, does he not agree that it is likely that those hardliners in the U.S. Senate and House, both Republicans and Democrats, who have been pushing this issue will want to go the Gibbons Bill route? That route would guarantee them the new arbitrary evaluation procedure between U.S. standing wood and stumpage and Canadian Crown or private standing wood and stumpage, as opposed to going through the new countervail, even though recent rulings by the International Trade Commission and the Department of Commerce indicate that it is somewhat more likely that they would be able to find a countervail against Canada under a 1986 application rather than under the 1982-83 process which Canada won at only 1 per cent.

● (1620)

Mr. Merrithew: Mr. Speaker, I want to address three or four of the comments of the Hon. Member for Skeena. First, I made the point on the countervail because the dollar figure and a percentage were actually mentioned this morning. We would not want to leave a perception in the minds of Canadians that that petition has already been filed. It has not been filed at this point in time. However, the figures were mentioned both in dollar terms and in percentage terms. The Hon. Member himself used the phrase "the clock is running", which I understand may very well be the case. I wanted to ensure that there was no misconception on the part of the Canadian public.

In the meantime, negotiations and discussions will take place tomorrow. As the Hon. Member well knows, undoubtedly they will be important. He is absolutely correct that the concept of removal rights in trade legislation did get by a subcommittee and awaits discussion of the full House. He is absolutely correct as well that those kinds of phrases in that legislation pose a threat to us. However, the legislation has not passed.

The Hon. Member knows as well that many of the Senators will be going to the polls later this fall and that there may be trade-offs, as there have always been in their democratic system, in which they may volunteer support for one aspect of trade legislation in exchange for something else. However, we are not privy to that information, and the only thing we can do is to make the strongest possible representation to all Congressmen and Senators that we do not think it will serve free trade, freer trade, or enhanced trade very well.

Mr. Fulton: Mr. Speaker, I have a very short supplementary question. As the Minister knows, British Columbia was informed late last night directly by telegram about the latest proposal of Canadian and U.S. envoys to look at concessions. Does the Minister think that that is enough time for provinces such as British Columbia, which ships about 60 per cent of Canada's over-all softwood lumber into the U.S. market, to take a close look at this approach, or is it in fact true that there is not much co-operation coming from Premier Bennett on this issue?

Mr. Merrithew: There is no question that we are down to the eleventh hour on the issue. No one is taking it lightly. After discussions it was felt that the concept of an envoy or envoys might very well resolve issues which we have been unable to resolve as of this time in government discussions, in discussions between politicians at every level, or in discussions between the United States administration and the Canadian Government. It was just an idea that was floated. The provinces were informed of it. Hopefully, later this week, depending upon certain things happening, Trade Ministers will meet with Forestry Ministers to discuss that concept fully.

Mr. Riis: Mr. Speaker, I have a question for the Minister of State for Forestry (Mr. Merrithew). It does not concern